Executive Board of the
United Nations Development Programme
and of the
United Nations Population Fund

DP/1998/CRP.4
12 January 1998

ORIGINAL: ENGLISH

First regular session 1998
19-26 January 1998, New York
Item 7 of the provisional agenda
UNDP

The Administrator is pleased to bring to the attention of the Executive Board the attached document from the World Trade Organization.

WORLD TRADE ORGANIZATION

WT/LDC/HL/1/Rev.1
23 October 1997

(97-4650)

High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development

An Integrated Framework for Trade-Related Technical Assistance, including for Human and Institutional Capacity-Building, to Support Least-Developed Countries in Their Trade and Trade-Related Activities

Revision

I. BACKGROUND

1. At their first Conference in Singapore in December 1996, WTO Ministers adopted the Comprehensive and Integrated *WTO Plan of Action for the Least-Developed Countries* which "envisaged a closer cooperation between the WTO and other multilateral agencies assisting least-developed countries" in the area of trade.[1] Pursuant to the ***Plan of Action***, aimed at improving the overall capacity of least-developed countries to respond to the challenges and opportunities offered by the trading system, it was agreed by the WTO, UNCTAD and ITC Secretariats, in collaboration with the staff of the IMF, the World Bank and the UNDP, that an Integrated Framework for the provision of trade-related technical assistance, including human and institutional capacity-building, for supporting trade and trade-related activities of the least-developed countries and including efforts to enhance the supply response of these countries should be drawn up and applied on a case-by-case basis to meet the needs identified by individual least-developed countries in the area of trade.

II. AIMS OF THE INTEGRATED FRAMEWORK

2. The Integrated Framework seeks to increase the benefits that least-developed countries derive from the trade-related technical assistance available to them from the six agencies involved in designing this Framework,[2] as well as from other multilateral, regional and bilateral sources, with a view to assisting them to enhance their trade opportunities, to respond to market demands, and to integrate into the multilateral trading system. The Framework aims to:

(a) Ensure that trade-related technical assistance activities are demand-driven by the least-developed countries and meet their individual needs effectively. Account can thereby be taken of differences in levels of development and economic structure, and physical characteristics such as location (e.g. land-locked, island) and other factors which influence the supply response to market signals and policy initiatives. The individual country level will normally be the locus of activities conducted under the Integrated Framework, although if considered appropriate the locus can be established at the regional or sub-regional level;

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[1]WTO document WT/MIN(96)/14, dated 7 January 1997

[2]References here and elsewhere in this note to the six agencies involved means the IMF, ITC, UNCTAD, UNDP, the World Bank and the WTO.

(b) Enhance ownership by each least-developed country over the trade-related technical assistance activities being provided. This is a key feature of the Framework. Responsibility for the coordination of implementation and monitoring of activities under the Integrated Framework at the country level will lie primarily with the least-developed country concerned;

(c) Enable each agency involved to increase its efficiency and effectiveness in the delivery of trade-related technical assistance activities. The Framework will permit each agency to design and tailor its individual efforts to meet the needs of least-developed countries in the light of full information about the specific needs of each country and about current and projected activities being undertaken by other agencies in the area of trade-related technical assistance. It will allow the trade-related technical assistance activities of all the agencies to be properly coordinated, sequenced and synchronized;

(d) Keep under review trade-related technical assistance activities in individual least-developed countries, evaluate periodically their success in meeting the country's needs, review how those needs change, and adapt the programme of activities accordingly;

(e) Provide comprehensive information about the specific needs of each least-developed country and about the trade-related technical assistance activities of the six agencies involved to other relevant multilateral and regional intergovernmental organisations, to bilateral development partners and to the private sector.

3. The Integrated Framework builds upon the experience of relevant related programmes currently being undertaken by the six agencies involved. In particular, ITC, UNCTAD and WTO are collaborating in an Integrated Technical Assistance Programme for Africa designed to tackle, *inter alia*, export supply capabilities. Activities under this programme for individual African least-developed countries will be subsumed under the Integrated Framework.

III. ELEMENTS OF THE INTEGRATED FRAMEWORK

4. Trade-related technical assistance activities may encompass[3]:

(a) Institution-building to handle trade policy issues (e.g., assistance to least-developed countries in acceding to the WTO; enhancing capacities to make and implement trade policy consistently with WTO obligations; seeking more effective coordination among relevant government departments; building a "core-capacity" to deal with trade issues within a lead Ministry and the development of "think tank" capacity in individual least-developed countries to undertake strategic analysis on trade issues; strengthening capacity to participate in the multilateral trading system, including the implementation and application of obligations and commitments; accessing relevant information for negotiations on traditional and new trade issues);

(b) Strengthening of export supply capabilities (e.g., strengthening the policy environment for trade liberalisation; improving competitiveness of enterprises; increasing investment (including foreign direct investment) in productive sectors; removing bottlenecks to increased production of tradeable goods and services, including through development

[3]The attached Check-List is indicative of the range of trade-related technical assistance activities that fall under the Integrated Framework.

of relevant infrastructure; helping least-developed countries exploit new trading opportunities);

(c) Strengthening trade support services (e.g., trade efficiency involving trade facilitation, access to trade finance; support at the enterprise level including access to business information, use of information technology, adaptation/development of new products, advice on standards, packaging, quality control, marketing and distributional channels; commercial representation; functioning of trade promotion organisations; improved international purchasing and supply management; promotion of trade in services);

(d) Strengthening trade facilitation capabilities (e.g. modernization and reform of customs and other government agencies participating in trade transactions, simplifying export and import procedures);

(e) Training and human resource development. These will be a large component in each of the above four areas; and

(f) Assistance in the creation of a supportive trade-related regulatory and policy framework that will encourage trade and investment.

5. The steps and procedures of the Integrated Framework are as follows:

Needs assessment

(a) Trade-related technical assistance activities will be based on an assessment of the needs of individual least-developed countries[4]. Needs assessment is the responsibility of the least-developed country. When preparing its needs assessment a least-developed country is encouraged to involve actively its private sector. A least-developed country may request assistance to complete its needs assessment. If such a request is made to any of the six agencies involved, the agency shall ensure that it accommodates the request as promptly as possible and either provides the requested assistance itself or identifies another appropriate source of assistance.

(b) Each least-developed country is encouraged to designate as a focal point a senior official within a relevant government ministry, with responsibility for coordinating the preparation of its initial needs assessment and for keeping its needs subsequently under review (as well as for coordinating the implementation and monitoring of its country programme: see 5(l) below).

(c) Upon request of the country concerned or the local advisor, the focal point should be assisted in this task by resident missions of the UNDP or World Bank or other intergovernmental agencies engaged at the local level in trade-related technical assistance activities (including, as appropriate, agencies other than the six referred to in paragraph 1)[5]. Where assistance of this kind cannot be provided locally, a least-

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[4]An indicative Check-List to assist each least-developed country to draw up a comprehensive assessment of its needs is attached.

[5]Needs assessment is a continuing process that can be energy and time consuming for the beneficiary country. It presupposes a detailed and extensive knowledge of the problems faced, of successful schemes and solutions

(continued ..)

developed country is encouraged to explore with the six agencies involved the possibility for the assistance to be provided through some other means.

Response of the six agencies involved

(d) Upon completion of the needs assessment, the staff of the six agencies shall consult, together with officials of the least-developed country concerned, to consider how trade-related technical assistance activities can best be designed and sequenced to meet the identified needs most efficiently and effectively, and to agree provisionally on a programme of trade-related technical assistance activities that can be provided in the light of the agencies' respective mandates, resources and expertise.

Country-specific Roundtable meetings

(e) The results of this initial consultation shall be published and distributed[6], along with the completed needs assessment of the least-developed country concerned. The least-developed country, with the assistance upon request of the local advisor and/or the six agencies involved, will schedule a Roundtable meeting at which it will present the conclusions of its needs assessment and its proposed agenda of trade-related technical assistance projects to meet the needs, indicating those for which it has received definitive or provisional offers of technical assistance. It will take responsibility for selecting the chairperson of the Roundtable meeting and the intergovernmental agencies, bilateral development partners, and members of the private sector (including non-governmental organisations, where appropriate) that it wishes to invite to participate. Where possible, the Roundtable meetings will be part of the UNDP Round Table cycle, and proceedings will be included in the World Bank Consultative Group Meetings and in the UNDP Round Tables".

(f) Subject to the availability of resources, the Roundtable meeting will provide the opportunity to endorse a multi-year country specific programme of trade-related technical assistance activities and to designate implementing/executing agencies, including from among intergovernmental agencies other than the six core agencies involved and bilateral development partners and, where appropriate, the private sector. It will also provide an occasion for a least-developed country's development partners to announce interest in financing and/or providing technical assistance and expertise to support elements of the programme. The results of the Roundtable meeting shall be published. Where possible, the results should be incorporated into World Bank Country Assistance Strategy documents and into UNDP Country Strategy Notes.

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[5](...continued)
adopted elsewhere, and of the availability of technical assistance. It involves circulating up-to-date information to interested parties, maintaining an inventory of trade-related technical assistance projects, and ensuring their coordination in the field. A permanent local advisor can assist an interested least-developed country in these tasks, which would be regarded by the agencies involved as a long-term, capacity-building measure at the country-level.

[6]Each agency will decide upon the appropriate channels of distribution to its members. For example, in the case of the WTO distribution will take place through the Committee on Trade and Development.

Coordination among the six agencies involved

(g) The six agencies will coordinate closely in applying the Integrated Framework for Trade-Related Technical assistance to least-developed countries. Clear lines of communication will be maintained between the agencies in this regard[7], to provide for the regular exchange of information related to activities conducted under the Integrated Framework and to facilitate access by least-developed countries to the resources of the six agencies. Inter-agency coordination will enable the agencies to avoid overlap and duplication, and allow them to properly sequence and synchronize trade-related technical assistance to individual least-developed countries.

(h) The six agencies shall ensure that all of the trade-related technical assistance activities they provide, whether individually or in collaboration with other agencies, shall be properly coordinated with the country programme implemented under the Integrated Framework. Joint activities among two or more of the participating agencies will be actively encouraged.

(i) Whenever needs common to many least-developed countries (e.g. thematic or regional) can be identified, the six agencies should coordinate in developing appropriate technical assistance programmes to meet these needs. This would ensure that a pool of core technical assistance activities could be provided, upon request, flexibly and promptly.

Financing

(j) Each of the six agencies shall finance from its existing resources - or, as necessary, shall seek additional finance with the active support of the least-developed country concerned for - those trade-related technical assistance activities in the country programmes for which it is responsible. Where resources additional to those currently available for trade-related technical assistance activities are required, they may be mobilised through bilateral and multilateral channels, including from both traditional and non-traditional sources. Programmes referred to under sub-paragraph (i), broader in nature than country-specific programmes, could be submitted collectively for financing to the donor community either through existing channels or through *ad hoc* meetings.

Implementation and monitoring

(k) Each of the six agencies shall be responsible for agreeing with the government of each least-developed country concerned the specific modalities and exact timing of its trade-related technical assistance activities.

(l) The role of coordinating the implementation and monitoring of the trade-related technical assistance activities conducted under the Integrated Framework shall be primarily the responsibility of the least-developed country concerned. It may seek assistance in this regard, as necessary, from the six agencies involved or the local advisor, for example, to establish and maintain a database of current trade-related technical assistance activities being conducted in the country concerned.

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[7]For example, in the case of the WTO the Director of the Technical Cooperation and Training Division will act as the focal point for all activities related to the Integrated Framework.

Review and evaluation of country programmes

(m) Implementation of each country programme of trade-related technical assistance activities shall be reviewed and evaluated regularly (generally on an annual basis) by the staff of the six agencies involved and officials of the least-developed countries concerned. A schedule for reviews and evaluations shall be included in the country programme. The results will be reported at the respective country-specific World Bank Consultative Group Meetings and UNDP Roundtables, or at *ad hoc* meetings arranged periodically to review the country programme and, as necessary, to adjust and update it, for example in the light of the changing needs of the least-developed country concerned (these *ad hoc* meetings would be conducted in the same way as the initial Roundtable meetings described under 5(e)). The development partners of each least-developed country would be associated in the review and evaluation of the country programme in that context. Whenever considered necessary, an external evaluation of a country programme could be decided on at such occasions.[8]

Maintenance and publication of a core inventory

(n) The six agencies involved shall maintain and publish an integrated database, by country, of the trade-related technical assistance activities they undertake within the scope of this Integrated Framework.

6 The operation of this Integrated Framework will be reviewed by the six agencies involved after two years in the light of experience and taking into account the views of individual least-developed countries where it has been applied. In conducting this review, the views of least-developed countries' other development partners will be sought. A report on the results of this review will be made available to the States members of UNCTAD and WTO Members through the appropriate channels.

[8]Each agency shall make appropriate arrangements to keep its members informed about the results of the evaluation exercises referred to in this sub-paragraph. For example, in the case of the WTO reports will be made to the Committee on Trade and Development

CHECK-LIST FOR CONDUCTING TRADE-RELATED TECHNICAL COOPERATION NEEDS ASSESSMENT

This check-list has been drafted in preparation for the High-Level Meeting on Least-Developed Countries, called for by the WTO Ministerial Conference in December 1996. The High-Level Meeting will take place on 27 and 28 October 1997, in Geneva.

It is intended to provide governments of the least developed countries with a tool to facilitate the preparation of their needs assessments for trade-related technical cooperation, as elaborated below.

The objective of the check-list is to obtain an overall appreciation of the needs for technical cooperation in trade-related matters in least-developed countries, broadly defined to include technical assistance and human and institutional capacity building, both in the immediate and longer run. The results of this needs assessment will serve as inputs to design a coherent and integrated framework for external assistance to support trade-related activities of least-developed countries at all levels, including efforts to enhance the supply response of these countries. The resulting framework will form one of the main items for consideration at the High-Level Meeting in October; it is intended also that, at the Meeting, the framework will be used to apply a coherent and integrated programme of trade-related technical cooperation to meet the needs of individual least-developed countries.

While it is expected that the needs assessment will be carried out by the least-developed countries themselves in order to ensure that the process overall is properly demand-driven, *facilities for assistance* to the governments of individual least-developed countries *in completing their needs assessment* can be made available upon request by the six international organisations most closely involved in organising the High-Level Meeting (the International Monetary Fund, the International Trade Centre, UNCTAD, UNDP, the World Bank and the WTO). Requests for assistance of this kind should be sent to the Director, Development Division, WTO Secretariat, who will forward the requests to the other five agencies.

The check-list is organized under the following headings:

A. Trade policy

B. Obstacles/impediments to LDC's efforts to expand trade:

(i) supply constraints:
- problems related to physical infrastructure e.g. internal transportation, shipping, air transport, ports, warehousing, telecommunications, etc.
- problems related to institutional capacity, including quality control
- inadequate investment, domestic and foreign

(ii) trade promotion and trade support services

(iii) in external markets
- gap in trade information,
- market access problems,
- marketing / distribution problems
- other problems in export markets.

C. Technical assistance

(i) Need for technical assistance
(ii) New information communication technologies

CHECK-LIST

A. Trade Policy

(a) What are the sectors that you believe have unexploited or underexploited export potential?

(b) Could you please define your country's perspective of the reasons for any changes in the structure and direction of exports and imports?

(c) What have been the objectives of trade policy in the most recent period, compared to, say, two decades ago?

(d) What are the Ministries in charge of trade policy matters, including formulation, implementation, enforcement and monitoring? How is coordination made? What are the respective roles of the relevant Ministries (give particular attention to tariff policies and other policies directly affecting exports and imports of goods and services)?

(e) How are the private sector and academic institutions associated with the formulation and conduct of trade policy?

(f) What are the institutions in your country that can play a role in implementation of a trade-related project at the local level? State their respective roles.

(g) What are the main laws and regulations dealing with trade policy - on exports and imports? Please provide a short description of each.

(h) What are the main instruments of trade policy - on exports and imports? Please elaborate (e.g. on import restrictions, the questions might be: on what products are there any import bans; on what products are there quantitative import restrictions; licensing requirements, etc.; what is the highest tariff rate currently in use; are there any excise taxes, other "domestic" taxes that are applied differentially to imported goods, or to goods of a type that are principally imported?).

(i) In case you are a WTO Member or are in the process of acceding, how is your country preparing itself to comply with the WTO Agreements?

(j) What is the state of familiarity with the WTO framework

- among government and government-related agencies?
- in the private sector?

(k) What are your technical assistance requirements with regard to your compliance with the WTO Agreements?

(l) In which specific areas of the WTO Agreements do you have technical assistance needs (e.g. market access, agriculture, rules (anti-dumping, subsidies, import licensing, rules of origin, safeguards etc.), TBT and SPS, Services, TRIPs)?

(m) What is your assessment of your existing trade analysis and negotiating capacities, both multilateral and bilateral, in areas already covered by the WTO Agreements and other trade-related areas, e.g. competition policy and trade and environment?

B. Obstacles to Trade Expansion

Obstacles to trade encompassing problems in export markets, infrastructure, human capacities, institutional bottlenecks, trade financing problems and gaps in trade information can inhibit a least-developed country from taking full advantage of trading opportunities.

Supply constraints, including institutional bottlenecks

(a) What are the main bottlenecks inhibiting the development of sustained *export* capacity of goods and services (e.g. customs facilitation, freight charges, quality management, elimination of cumbersome legal and administrative procedures, paucity of human skills, access at international prices to imported inputs, or inadequate telecommunication, port and transport facilities etc.) ?

- Land-locked countries may face additional problems, such as having to ship using costly or unreliable transport and ports systems. In case this applies to your country, please indicate such problems. What kind of technical assistance would help you work out these problems?

(b) Are there any *institutional* bottlenecks, which may impede the efficient conduct of your country's trade policies? Provide details. For example, what are the problems perceived by the different actors, e.g. exporters, producers, service providers (banks, insurance companies, quality control, transporters etc), professional associations and Ministries? Are problems mainly perceived in the area of

(i) human resources

(ii) management of the institution

(iii) financial and material resources

(iv) communication

(c) What are the main bottlenecks to *export diversification*?

(d) If *investment* in the production of goods and services is inadequate, what are the main reasons ? Please elaborate them (e.g. structural constraints, difficulties in attracting foreign investment, limited enterprise development, financing, lack of appropriate technology, etc)

(e) Is there a national policy to encourage export-related investment opportunities? Please elaborate. What arrangements are in place for reviewing, drafting and negotiating contractual arrangements with foreign investors?

(f) What are the main obstacles to the transfer, development and acquisition of technology? Is there any national policy/strategy in this area? Please elaborate.

(g) What are your technical assistance or other assistance needs with respect to supply constraints.

Trade Promotion and Trade Support Services

Trade promotion comprises an integrated set of technical and financial services to enhance the global competitiveness of *enterprises* and thus facilitate their entry and increasing participation in international trade.

(h) Do your enterprises, especially small and medium enterprises, experience difficulties in expanding their exports? What are these problems in the major export sectors?

(i) What are the problems for your enterprises in obtaining reliable and up-to-date information on export/import business opportunities?

(j) Can your enterprises offer products of internationally acceptable design, quality and packaging to foreign buyers? If not, what are the problems?

(k) What problems, other than in terms of trade policy, do you anticipate in developing the export of services (e.g. computer software, tourism)?

(l) What are the technical/professional problems encountered by trade support institutions (e.g. trade promotion council, chamber of commerce, exporters association, etc) in your country in providing their services to export/import enterprises?

(m) What problems and deficiencies are experienced by enterprises in their international purchasing and inventory management?

(n) What are the present availability and arrangements for trade finance facilities (e.g. export credit guarantees, etc)? Are there any perceived deficiencies in this area?

(o) What are the main problems in the way of improving export/import management skills of your business enterprises? Do you have training programmes in the country? What are the deficiencies?

(p) Does your trade representation service actively promote your trade? What are the weaknesses?

(q) Briefly describe your technical assistance needs in the area of trade promotion and support services.

Market access

(r) What are your main market access problems?

(s) What specific problems or barriers, and in which countries, are most troublesome for your exporters?

(t) Regional and sub-regional trading arrangements (RTAs): please list RTAs to which your country belongs. Are you satisfied with the performance with these RTAs? Please state the problems of each. Do you have suggestions on how to solve these?

(u) Are there any problems in utilizing the existing market access preferences, such as GSP, GSTP? Please state the nature of problems relating to each of these.

(v) What are your technical assistance needs with respect to market access?

C. Technical Assistance

Technical assistance is normally provided to developing and least-developed countries to build or enhance their human resources and institutional capacities, provide trade information and trade-related legal support, as well as improve their supply capabilities in order to make them more active players in the field of multilateral trade.

(a) To the extent this kind of information is easily available, could you please briefly describe what trade-related assistance you have received over the past five years from bilateral and multilateral sources and what projects/programmes are presently under consideration in this area?

(b) Please summarize your technical assistance needs as well as other needs as reflected in this check-list Please rank them in terms of priority

(c) In the light of the information you have been able to provide so far in response to the questions in this check-list, what types of information are, in your view, still missing or could be improved upon? In order to assist you in providing this missing information, would you need technical assistance?

(d) Does your country have the technological capacity and human resources to make use of the new information/ communication technology tools such as CD-Rom, the Internet etc ? What assistance would you need to enable your country to use these tools in the context of training and, more generally, in the context of trade development?